

March 6, 1975

Mr. President, there are two Attorney General opinions, No. 35 addressed to Senator Stoney and No. 36 addressed to Senator Chambers. These will be inserted in full in the Legislative Journal.

That's all Mr. President.

PRESIDENT: At the request of Senator Luedtke we would like to welcome 12 students from Trinity Lutheran School in Lincoln. This wasn't exactly a voluntary act on the part of Senator Luedtke. One of the people in charge is Helen Luedtke and Mrs. Beckman. Included in the class is David Luedtke. Welcome to the Nebraska Legislature. Lot of ways to get points.

The Speaker has requested that we move to item 10 on your agenda, and go through the rest of the agenda, then back to General File. Therefore the matter up now is the Chambers motion regarding LB 260.

CLERK: Mr. President, the motion is I move we reconsider our action on passage of LB 260 on Final Reading. Signed, Senator Chambers.

PRESIDENT: Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. President, members of the Legislature, LB 260 is a bill which provides for a constitutional amendment. It was passed by a vote of 31. I had switched from no to aye, allowing me to ask for reconsideration in the fashion that I'm doing this morning. This bill, to over simplify, (if correction is needed that will be given later) allows a governmental subdivision to issue bonds, go into debt, to allow ultimately for redevelopment of various blighted areas. The problem that I'm concerned about is the areas where people are inarticulate, have no political representation or clout to speak of, and they can be run over roughshod, and property can be taken from them. Now there are other considerations such as the provision that the governmental subdivision can issue bonds to redevelop this area. Assume that a situation arose where, initially, a redevelopment project is going to be economically feasible and a one million dollar bond issue was floated. Anything less than a million dollars might not be worthy of discussion. Assume that there was no attempt to speculate or gyp anybody. But the deal fell through and the property which was redeveloped produced no income to speak of. The bonds must be retired. There is nothing in this provision that deals with the nature of the bonds, whether they are revenue bonds or general obligation bonds. I believe everybody in this Legislature knows that a general obligation bond is the preference because a revenue bond must be retired by the project producing enough revenue to retire the interest and the principle. A general obligation bond means that they must be paid off, whether the project produces any revenue or not. If an area is to be redeveloped it is turned over to private developers, no money is generated, then the general tax money must be taken to retire those bonds. I am not trying to misstate any principles, so if anything I say is incorrect, I hope that my factual state-